

CONDOMINIUM PUBLIC REPORT

Prepared &
Issued by:

Developer 642 Magellan Partners LLC
Address 745 Fort St. Suite 202, Honolulu, Hawaii 96813

Project Name(*): MAGELLAN VILLAS
Address: 642, 646 and 650 Magellan Avenue & 1410 & 1412 Alapai Street,
Honolulu, Hawaii 96813

Registration No. 6028

Effective date: October 31, 2006

Expiration date: August 17, 2007

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

- PRELIMINARY:** The developer may not as yet have created the condominium but has filed with the
(yellow) Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.
- FINAL:** The developer has legally created a condominium and has filed complete
(white) information with the Commission.
[X] No prior reports have been issued.
[] This report supersedes all prior public reports.
[] This report must be read together with _____
- X **SUPPLEMENTARY:** This report updates information contained in the:
(pink) [] Preliminary Public Report dated: _____
[X] Final Public Report dated: July 17, 2006
[] Supplementary Public Report dated: _____
- And [] Supersedes all prior public reports.
[X] Must be read together with the Final Public Report dated July 17, 2006
[] This report reactivates the _____
public report(s) which expired on _____

(*) Exactly as named in the Declaration

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

FORM:RECO-30 286/986/189/1190/892/0197/1098/0800/0203/0104

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

* [X] Required and attached to this report as Exhibit ____ [] Not Required - Disclosures covered in this report.

*See Final Public Report, Exhibit H

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

[] No prior reports have been issued by the developer.

[X] Changes made are as follows:

1. The Declaration and Condominium Map were amended by that First Amendment to Declaration of Condominium Property Regime of Magellan Villas and to Condominium Map dated September 28, 2006, recorded as Document No. 2006-182568 ("First Amendment of Declaration") that amended the Declaration and replaced sheet A-1 of the Condominium Map to reflect relocation of the water meters and water lines for Units 3 and 5, the addition of new fences and wall for Unit 2, the removal of a fence for Unit 3, the addition of a fence for Unit 4, the removal of a fence and boundary divider for Units 4 and 5, the removal of a rock wall for Unit 5, the addition of a fence for Unit 5, the correction of a typo for Exclusive Use Area Unit 2 which has been changed to Unit 1, the increase in the exclusive use area for Units 2 and 5, and the decrease in the exclusive use areas for Units 1 and 3.

2. Section II.A. of this Supplementary Public Report ("SPR") discloses the First Amendment to the Declaration and to Condominium Map.

3. An updated preliminary title report from Island Title Corporation dated October 5, 2006 has been issued and listed in Section III.E. of the SPR replacing the previous title report in order to reflect the newly recorded First Amendment to Declaration.

4. A new Exhibit D to this SPR replaces the previous Exhibit D to the Final Public Report to reflect a revision of the limited common elements in the Project.

5. A new Exhibit E to this SPR replaces the previous Exhibit E to the Final Public Report to reflect the newly recorded First Amendment to Declaration set forth in item 10 of Exhibit E.

SPECIAL ATTENTION SHOULD BE GIVEN TO THE ADDITIONAL INFORMATION (PAGES 20) AND THE SUMMARY OF RIGHTS RESERVED TO THE DEVELOPER (EXHIBIT "A")

SPECIAL ATTENTION

Magellan Villas is a CONDOMINIUM PROJECT, not a subdivision. The Yard Areas beneath and immediately appurtenant to each apartment is designated as a LIMITED COMMON ELEMENT or an EXCLUSIVE USE AREA appurtenant to the respective apartment unit and does not represent legally subdivided lots. The walls, fences and dashed lines shown on the condominium map as delineating the Boundaries between the limited common element Yard Areas of the apartments or units should not be construed to be the property lines of legally subdivided lots.

This public report does not constitute approval of the Project by the Real Estate Commission, or any other governmental agency, nor does it ensure that all applicable County codes, ordinances and subdivision requirements have necessarily been complied with.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

- A. **Declaration of Condominium Property Regime** contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

☐ Proposed
☒ Recorded - Bureau of Conveyances Document No. 2006-091232
Book _____ Page _____
☐ Filed - Land Court Document Number _____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: First Amendment to Declaration of Condominium Property Regime of Magellan Villas and to Condominium Map dated September 28, 2006 and recorded in said Bureau as Document No. 2006-182568.

- B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

☐ Proposed
☒ Recorded - Bureau of Conveyances Condominium Map No. 4227
☐ Filed - Land Court Condominium Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]: First Amendment to Declaration of Condominium Property Regime of Magellan Villas and to Condominium Map dated September 28, 2006 and recorded in said Bureau as Document No. 2006-182568.

- C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

☐ Proposed
☒ Recorded - Bureau of Conveyances Document No. 2006-091233
Book _____ Page _____
☐ Filed - Land Court Document Number _____

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]: N/A

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

☐ There are no limited common elements in this project.

☒ The limited common elements and the apartments which use them, as described in the Declaration, are:

☒ described in Exhibit "D".

☐ as follows:

Note: Reference in said Exhibit "D" to "Exclusive Use Area" does not mean legally subdivided Lots.

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

☐ described in Exhibit _____.

☒ as follows:

Unit 1 -20%
Unit 2 -20%
Unit 3 -20%
Unit 4 -20%
Unit 5 -20%

- E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit E describes the encumbrances against the title contained in the title report dated October 5, 2006 and issued by Island Title Corporation.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime, as amended.
 - C) Bylaws of the Association of Apartment Owners, as amended.
 - D) House Rules, if any.
 - E) Condominium Map, as amended.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other: _____

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's agents, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov

Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs

Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 6028 filed with the Real Estate Commission on May 19, 2006.

Reproduction of Report. When reproduced, this report must be on:

☐ YELLOW paper stock

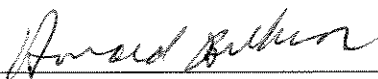
☐ WHITE paper stock

☒ PINK paper stock

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

642 MAGELLAN PARTNERS LLC

Printed Name of Developer

By: 
Duly Authorized Signatory*

10/11/06

Date

Howard Bilkiss as President of Howard Bilkiss, Ltd., the Managing Member of Developer

Print Name and Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu
Planning Department, City and County of Honolulu

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***Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership (LLP) by the general partner; Limited Liability Company (LLC) by the manager or member; and for an individual by the individual.**

EXHIBIT "D"

LIMITED COMMON ELEMENTS. Paragraph 5 of the Declaration designates:

5.1 Certain parts of the common elements, herein called the "Limited Common Elements", are hereby designated and set aside for the exclusive use of each Unit, and each Unit shall have appurtenant thereto exclusive easements for the use of such limited common elements. Unless otherwise specified, all costs of every kind pertaining to each limited common element, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne by the Unit to which it is appurtenant. The limited common elements so set aside and reserved are as follows:

(a) The site on which Unit 1 is located, consisting of the land beneath and immediately adjacent to Unit 1, as shown and delineated on the Condominium Map as "Exclusive Use Area Unit 1" (including the airspace above such site), is for the exclusive benefit of Unit 1.

(b) The site on which Unit 2 is located, consisting of the land beneath and immediately adjacent to Unit 2, as shown and delineated on the Condominium Map as "Exclusive Use Area Unit 2" (including the airspace above such site), is for the exclusive benefit of Unit 2.

(c) The site on which Unit 3 is located, consisting of the land beneath and immediately adjacent to Unit 3, as shown and delineated on the Condominium Map as "Exclusive Use Area Unit 3" (including the airspace above such site), is for the exclusive benefit of Unit 3.

(d) The site on which Unit 4 is located, consisting of the land beneath and immediately adjacent to Unit 4, as shown and delineated on the Condominium Map as "Exclusive Use Area Unit 4" (including the airspace above such site), is for the exclusive benefit of Unit 4.

(e) The site on which Unit 5 is located, consisting of the land beneath and immediately adjacent to Unit 5, as shown and delineated on the Condominium Map as "Exclusive Use Area Unit 5" (including the airspace above such site), is for the exclusive benefit of Unit 5.

(f) Each of Units 1, 2, 3, 4 and 5 has a sewer line lateral and/or a sewer line, as shown and delineated on the Condominium Map, as limited common elements for the exclusive use and benefit of Units 1, 2, 3, 4 and 5, respectively.

(g) Each of Units 1, 2, 3, 4 and 5 has a water line, as shown and delineated on the Condominium Map, as a limited common element for the

exclusive use and benefit of Units 1, 2, 3, 4 and 5, respectively, with the water meters belonging to the Board of Water Supply of the City and County of Honolulu.

(h) Units 3 and 5 have a sewer line, as shown and delineated on the Condominium Map, as a limited common element for the exclusive use and benefit of Units 3 and 5.

(i) Units 3, 4 and 5 have a sewer line, as shown and delineated on the Condominium Map, as a limited common element for the exclusive use and benefit of Units 3, 4 and 5.

(j) Unit 2 has a Fence, Wall and Boundary Divider that delineates the boundary between Units 1 and 2, as shown and delineated on the Condominium Map, as a limited common element for the exclusive use and benefit of Unit 2.

(k) Unit 4 has a Fence and Boundary Divider that delineates the boundary between Units 3 and 4, as shown and delineated on the Condominium Map, as a limited common element for the exclusive use and benefit of Unit 4.

(l) Units 2 and 3 have a Rockwall and Boundary Divider that delineates the boundary between Units 2 and 3, as shown and delineated on the Condominium Map, as a limited common element for the exclusive use and benefit of Units 2 and 3.

(m) Units 2 and 4 have a Rockwall and Boundary Divider that delineates the boundary between Units 2 and 4, as shown and delineated on the Condominium Map, as a limited common element for the exclusive use and benefit of Units 2 and 4.

(n) Unit 2 has a Fence, as shown and delineated on the Condominium Map, as a limited common element for the exclusive use and benefit of Unit 2.

(o) Unit 3 has a Fence, as shown and delineated on the Condominium Map, as a limited common element for the exclusive use and benefit of Unit 3.

(p) Unit 5 has a Fence and Boundary Divider that delineates the boundary between Units 4 and 5, as shown and delineated on the Condominium Map, as a limited common element for the exclusive use and benefit of Unit 5.

(q) Units 4 and 5 have a Hollow Tile Wall and Boundary Divider that delineates the boundary between Units 4 and 5, as shown and delineated on the Condominium Map, as a limited common element for the exclusive use and benefit of Units 4 and 5.

(r) Unit 5 has a Fence and Boundary Divider, as shown and delineated on the Condominium Map, as a limited common element for the exclusive use and benefit of Unit 5.

(s) Each Unit shall have a mailbox appurtenant to it and reserved for its exclusive use and benefit which shall be designated with that Unit's address.

Note: The "Exclusive Use Areas" herein described are not legally subdivided lots."

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

1. Title to all mineral and metallic mines reserved to the State of Hawaii.
2. AS TO ITEM ONE ONLY:
 - a. Terms and provisions, including the failure to comply with any covenants, conditions and reservations contained in that certain Land Patent Grant Number 5786.
 - b. Encroachment(s) as shown on the survey map prepared by Patrick M. Cummings, Land Surveyor, dated May 22, 2003.
 - c. The following items as disclosed in Perimeter Survey prepared by Kevin K. Kea, Licensed Professional Land Surveyor, Certificate No. 10928, dated October 14, 2005:
 - (a) CRM wall extends into road right of way by 0.4' to 0.9' over a distance of 44.0' as shown.
 - (b) CRM wall lies entirely within road right of way over a length of 48.0'.
 - (c) End of concrete wall extends 0.9' into road right of way.
 - (d) CRM wall lies entirely within road right of way over a length of 43.0' as shown.
3. AS TO ITEM TWO ONLY:
 - a. Terms and provisions, including the failure to comply with any covenants, conditions and reservations contained in that certain Land Patent Grant Number 5728.
 - b. EASEMENT

Dated : September 4, 1968
Recorded : Book 6253, Page 217

Purpose : Sewer
In favor of : City and County of Honolulu

- c. The following items as disclosed in Perimeter Survey prepared by Kevin K. Kea, Licensed Professional Land Surveyor, Certificate No. 10928, dated October 14, 2005:
- (a) CRM wall extends into road right of way by 0.4' to 0.9' over a distance of 44.0' as shown.
 - (b) CRM wall extends into road right of way by 0.8' for a distance of 12.5' as shown.
 - (c) CRM column extends into the road right of way by 0.9'.
 - (d) CRM wall extends into road right of way 0.9' over a distance of 22.0' as shown.
 - (e) Concrete steps extend into road right of way 2.9' over a length of 5.0'.
 - (f) CRM wall extends into road right of way by 0.9' over a distance of 18.0' as shown.
- d. Encroachment Agreement and License dated January 11, 2006 by and between Magellan Property, LLC, a Hawaii limited liability company, "Magellan", and Garden Lanai, LLC, a Hawaii limited liability company, "Garden Lanai", recorded as Document No. 2006-010990.
- e. Encroachment Agreement and License dated December 17, 2005, by and between Richard Rikio Ito and Karen Yoshie Ito, husband and wife, "Ito", and Magellan Property, LLC, a Hawaii limited liability company, "Magellan", recorded as Document No. 2006-010992.
4. AS TO ITEMS ONE AND TWO:
- a. Encroachment Agreement and License dated January 11, 2006, by and between Magellan Property LLC, a Hawaii limited liability company, "Magellan Lot 2", and Magellan Property, LLC, a Hawaii limited liability company, "Magellan Lot 3", recorded as Document No. 2006-010991.
5. A mortgage to secure an original principal indebtedness of \$2,993,100.00, and any other amounts or obligations secured thereby.

Dated : February 16, 2006
Mortgagor: 642 Magellan Partners LLC, a Hawaii limited liability company
Mortgagee: Bank of Hawaii, a Hawaii corporation
Recorded: February 24, 2006 as Regular System Document No. 2006-036633 of

Official Records

6. The Assignment of Sales Contracts and Sales Proceeds, as additional security for the payment of the indebtedness in the amount of \$2,993,100.00, which was recorded February 24, 2006 as Regular System Document No. 2006-036634 of official records.

7. A financing statement

Debtor: 642 Magellan Partners LLC

Secured Party: Bank of Hawaii

Recorded: February 24, 2006 as Regular System Document No. 2006-036635 of Official Records

- 8 Regular System Condominium Map No. 4227.

9. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the Declaration of Condominium Property Regime of Magellan Villas:

Dated: May 10, 2006

Recorded: Document No. 2006-091232

to which reference is hereby made, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c) or Section 515-6, HRS.

First Amendment to Declaration of Condominium Property Regime of Magellan Villas and to Condominium Map

Dated: September 28, 2006

Recorded: Document No. 2006-182568

10. By-Laws of the Association of Apartment Owners of Magellan Villas:

Dated: May 10, 2006

Recorded: Document No. 2006-091233

11. Any and all covenants, conditions, restrictions and easements encumbering the apartment herein mentioned, and/or the common interest appurtenant thereto, as created by or mentioned in said Apartment Deed, and/or as delineated on said Condominium Map.

12. For real property taxes your attention is directed to the Director of Finance, City and County of Honolulu.